

LAW OFFICES OF  
KIMBALL, PARR, WADDOUPS, BROWN & GEE  
A PROFESSIONAL CORPORATION  
SUITE 1300  
185 SOUTH STATE STREET  
POST OFFICE BOX 11019  
SALT LAKE CITY, UTAH 84147  
TELEPHONE (801) 532-7840  
TELECOPIER (801) 532-7750

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DIVISION OF  
OIL GAS & MINING

CLAYTON J. PARR

August 30, 1991

Dianne R. Nielson, Director  
Division of Oil, Gas & Mining  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203

Re: Board Review of Form and Amount of Surety for Geneva Steel's Iron Mountain Sites, M/021/001, M/021/005, and M/021/008, Iron County, Utah

Dear Dianne:

In response to your letter of July 26, 1991, I am submitting with this letter a revised copy of the Interim Reclamation Contract revised to reflect the Memorandum Decision of the Board dated July 10, 1991. In particular, you will note that the Contract now provides for two forms of bond, a Self Bonding and Indemnity Agreement in the amount of \$540,549 attached as Exhibit B-1, and a Surety Bond in the amount of \$639,951 attached as Exhibit B-2 (which is a photocopy of the signed original). A highlighted copy showing changes from the prior draft of the Contract is also enclosed for your convenience.

Pending final approval of the documentation and the form of the surety bond, Geneva is ready to proceed with execution of the documents and finalization of the interim arrangement. If you require an original executed copy of the surety bond beforehand, we can accommodate that need as well.

I anticipate that upon final approval and execution of the documents the \$81,000 depository account currently being maintained as surety relative to NOI M\021\008 can be terminated and the funds transmitted to Geneva Steel.

On the basis of the Memorandum Decision, it is Geneva's understanding that so long as Geneva otherwise remains in compliance with the criteria for self-bonding established by the

Dianne R. Nielson, Director  
August 30, 1991  
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Board, it will, on the basis of its having satisfied the requirement of five years of corporate operational experience, be permitted to utilize self-bonding for the entire amount of the estimated reclamation costs when a final reclamation contract has been approved. We would appreciate confirmation of this understanding.

Please contact me with any questions and with guidance regarding remaining procedures. Thank you for your assistance.

Very truly yours,



Clayton J. Parr

CJP/wc

cc: Dennis Wanlass  
Roy Benson  
Lynn Hart